



## **State of Connecticut**

**African-American Affairs Commission**

**State Capitol**

**210 Capitol Avenue – Room 509**

**Hartford, CT 06106**

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Senator Winfield, Representative Lesser and other distinguished members of the Banking committee. My name is Subira Gordon and I am the legislative analyst for the African American Affairs Commission. The mission of the African-American Affairs Commission (AAAC) is to improve and promote the economic development, education, health and political well-being of the African-American community in the State of Connecticut.

I would like to thank the Banking Committee for raising a significant number of bills that are important to the communities that my commission represents.

First I would like to start with HB 5566 which asks the banking commissioner to look at assessing student loan and other debt servicers in the state. This committee has made a commitment to tackling student debt and we have worked together on this issue and I look forward to continuing this collaboration. As with many other issues African Americans have seen adverse outcomes in student loan debt which was clearly outlined by a recent report [mapping student debt](#) which shows that urban areas which have higher percentages of people of color have lower debt levels however there tends to be much higher levels of delinquency.

Next there are a few bills that provide new protections for consumers, which the AAAC believes is very important to African Americans in the state. There have been countless reports and articles which show that economic outcomes for African Americans are

worse than their white peers whether it is on access to credit, debt collection and countless other economic measures where there is a great disadvantage.

I would like to highlight a few bills [H.B. No. 5571](#) (RAISED) AN ACT CONCERNING CONSUMER COLLECTION AGENCIES AND DEBT COLLECTION ACTIONS addresses some of the disturbing facts that were brought to light in the pro publica report “the color of debt” which shows that black neighborhoods are targeted by debt collectors at a much higher rate than other neighborhoods which continues the long history starting with share croppers and the inability of African Americans to get out from a high debt burden.

The law currently allows debt collectors to seize a portion of a person’s pay with the highest rates being for those who make under 40,000 a year. So this means that those who are the poorest are pursued by debt collectors. In Connecticut Hartford, New Haven and Bridgeport all have a high share of debt collection in the 25% range with the average debt amount being \$4000.00.

This bill will give while not absorbing debtors or what they owe will provide them with some protections against unfair and deceptive practices of debt collectors.

The AAAC is also in support of [H.B. No. 5568](#) (RAISED) AN ACT PROVIDING FOR MARTIN LUTHER KING CORRIDORS which will help urban development in many of our cities.

[H.B. No. 5561](#) (RAISED) AN ACT CONCERNING FAIRNESS IN CONSUMER CONTRACTS is an important piece of legislation because it allows consumers rights that they don’t have under current law. Section 3 makes standard contract language “substantively unconscionable” which makes enforcement difficult and alleviates consumers from some of the burdens they face where they are unable to seek certain remedies which are generally guaranteed by state and federal law.

I would like to thank you for your time today.

Subira Gordon  
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